



**CENTRE AGRO-ENTREPRISE**  
Mali Sustainable Economic Growth

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**SEG Mali Year One Annual Report (1998-1999)**

Contract No. 624-C-00-98-00012-00

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*Submitted to :*

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

*Submitted by :*

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October 1999

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## EXECUTIVE SUMMARY

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The highlights of SEG Mali's first year are :

- The **project launch** on October 1 1998 and regional workshops in Segou (March), Sikasso (April), Mopti (May) and Koulikoro (June).
- The identification of key **opportunities in rice and maize processing and marketing**, definition of project strategy, market opportunities, establishment of partnerships, commencement of training, preparation of detailed activity plan for sub-sector development involving private and institutional players.
- The identification of a viable **fresh mango export** development strategy based on extensive test marketing in Northern Europe of sea freight containers and air shipments of Malian mangoes.
- The completion of a detailed feasibility study and investment strategy for **improved animal feed**.
- The creation of the project website and linkages with all relevant suppliers of **information services to Malian agribusiness**, national and international.
- Extensive **business training** to agribusiness and support services.
- The design of a **quality improvement** program for Malian products.
- **Collaboration with IER and LCV** to enhance their efficiency in vaccine production and marketing and service provision through improved management.
- In AID Mali's June 99 **assessment of Chemonics performance** in contract execution we were rated as exceeding AID standards.

As a result of its activities, CAE is now established as a **central player in the development of Malian agribusiness**. This has been achieved by :

- Promotion of effective linkages between agribusiness and its regional and international partners.
- Bringing home to Malian agribusiness the reality of the international market.
- Developing new business opportunities for Malian agribusiness.
- Increasing the management capacity of Malian agribusinesses.
- Strengthening agribusiness associations and partnerships.

Some **constraints** that the CAE has to contend with are :

- The current low level of agro-industrial installed capacity in the target sub-sectors.
- The paucity of investment and finance available for agribusiness development.
- The absence of a financial component in AID Mali's portfolio for agribusiness, including the Chemonics contract which places severe restrictions on CAE's ability to provide finance sustainably.
- The need to develop sub-sector associations on the basis of economic function.
- The weak competitiveness of many of Mali's products given low quality standards.

Year One implementation has also raised **issues for the project's strategic development** :

- Sound development of the private agribusiness sector must be the overall aim of CAE.
- A project partnership with the relevant public sector institutions will help achieve this aim.
- Association development plays a key role in developing the private sector and redefining government's role.
- Training and information to businesses will build their capacity to develop their own enterprises independently.
- Hands-on technical assistance will continue to be used to help new enterprises at the test stage of new processing and marketing initiatives.
- The project will continue to rank opportunities for its interventions on the basis of their potential for adding value and overall sector development, rather than on the merits of individual companies or business opportunities.
- An emphasis on quality improvement is an essential concomitant of all CAE activities.

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## Acronyms

<b>AMELEF</b>	Association Malienne des Exportateurs de Légumes et Fruits
<b>APEFEL</b>	Association Professionnelle des Exportateurs de Fruits et Légumes
<b>APROFA</b>	Agence pour la Promotion des Filières Agricoles
<b>AV</b>	Associations Villageoises
<b>CAE</b>	Centre Agro-Entreprise
<b>CILSS</b>	Comité Inter-Etat pour la Lutte contre la Secheresse dans le Sahel
<b>CMDT</b>	Compagnie Malienne pour le Développement des Textiles
<b>FEWS</b>	Famine Early Warning System
<b>FY</b>	Fiscal Year
<b>GRM</b>	Gouvernement de la République du Mali
<b>IER</b>	Institut d'Economie Rural
<b>LCV</b>	Laboratoire Central Vétérinaire
<b>MDRE</b>	Ministère du Développement Rural et de l'Eau
<b>MICA</b>	Ministère de l'Industrie, du Commerce et de l'Artisanat
<b>OMA</b>	Observatoire des Marchés Agricoles
<b>PASIDMA</b>	Projet d'Appui aux Systèmes d'Informations Décentralisés des Marchés Agricoles
<b>SARA</b>	Salon de l'Agriculture et des Ressources Animales
<b>SEG</b>	Sustainable Economic Growth
<b>UEMOA</b>	Union Economique Monétaire Ouest Africaine
<b>USAID</b>	United States Agency for International Development

## **SECTION I**

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### **Introduction**

This report contains a detailed account of Year One Activities under the Chemonics contract to execute SEG Mali activities in conjunction with Fintrac and Winrock..

The report has been prepared 15 month's after project start-up in July 1998. The reporting period is October 1, 1998 to 30, September 1999 the first full year of project execution.

The report is partly based on the quarterly reports for the periods October – December 1998, January – March 1999 and April – June 1999. By agreement with AID Mali, no separate quarterly report is included for the period of July – September 1999, but full details of project activities for this last quarter are included in this annual report.

The report describes the main characteristics and achievements of the project, as well as summarizing all the relevant project activities and analyzing its financial results. Strategic aspects of project implementation are also analyzed, since they concern the future development of the project. Appropriate measures to address these issues are contained in the companion document to this report, the Year 2 Strategic Work Plan.

## **SECTION II**

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### **Characteristics of SEG Mali**

#### **1. Project Objectives**

SEG Mali is the technical assistance contract of the Mali AID Mission's Strategic Objective to enhance Sustainable Economic Growth (SO2). It contributes to the objective through the development of livestock, cereals and alternative products (fruit, vegetables and gathered products). This is achieved by increasing the value added to the products from these commodity sub-sectors (filières) by improving business management and by diversifying and improving the quality and marketing of agricultural products. Such improvements are expected to lead to the increased number, size and profitability of private agri-businesses in Mali.

The project achieves these aims by providing services to agribusiness firms, associations and support services, namely :

- Providing training and technical assistance to agribusiness firms, associations and support services to increase the sales and enhance the commercial value of their products and improve the financial performance of their operations.
- Increasing the availability of appropriate and timely information regarding the processing, packaging and marketing of agricultural products.
- Improving the economic environment within which the agribusiness sector operates by strengthening the private sector's role in government and regional trade policy and regulation decisions.

These services are initially provided free or subsidized, but will progressively be provided on a cost recovery basis. The project intends to confer with AID regarding for project revenues from service provision to be directed toward self-sufficient organizations capable of carrying out activities currently executed by the project. The intention is that by 2003, when the current contract expires, such organizations will have assumed responsibility for the majority of SEG/Mali's enterprise support services.

#### **2. Approach**

Mali's agribusiness environment in the target sub-sectors of cereals, livestock and alternative products is characterized by :

- A wealth of agricultural resources, a liberal economic environment and a dynamic growth rate, combined with a weak transport and communications sector, landlocked position and increasingly competitive export markets.
- A strong supply-side potential for agribusiness growth but current low level of agribusiness development and scarcity of private entrepreneurs prepared to invest in the sector.

- Poorly integrated commodity sub-sectors, low-grade processing sectors and weak industry associations.
- Limited availability of financial services for the agricultural sector, existing services being poorly suited to the needs of emerging agribusiness.
- A general absence of quality norms, which hinders access to export markets and holds back the internal market.

In such a context, where so much basic development work needs to be done, CAE faced a serious risk of dispersal of effort. Early in the year, the project therefore adopted a very targeted approach which focused on :

- Adding value post-harvest to specific agricultural produce through processing, marketing and business management; there is little involvement in farm-level production except where this is directly linked to concrete market opportunities, such as green beans and fattening (but not raising) of cattle.
- Market-led and demand driven activities, in preference to supply-based, production oriented interventions.
- Specific products within the target sub-sectors (e.g. high grade rice, corn products, dried mangos).
- Developing carefully selected opportunities for better processing and marketing that produce direct, measurable benefits to Malian agribusiness.
- Partnerships with private sector operators and their associations.
- Building competitiveness of businesses and sub-sectors by enhancing enterprise profitability and association strengthening.

In planning project activities and specific interventions, the project confers with members of the SEG team at AID Mali to ensure consistency with their in-depth knowledge of the sectors during the long history of AID's involvement in Malian agriculture.

### **3. Implementation**

In July, 1998, a Home Office team commenced the logistical and administrative work of establishing a project of this size. By September this process was well-advanced and the project had a core staff of well-qualified Malian nationals and expatriates, a serviceable office, a new identity (Centre AgroEntreprise or CAE as we are now commonly known).

Development activities on the project started in August 1998 with a rapid appraisal of agribusiness opportunities by a team composed of long-term project staff, short-term consultants and permanent Chemonics personnel. The appraisal led to the Year 1 work plan which presented sector-wide activities in all SEG Mali's CAE Results shown in the table below (see also Annex A, Year 1 Work Plan). Initial emphasis was on the major agribusiness entrepreneurs and on national public and private sector support services, most of which are



based in Bamako. By December 1998, the first field trips were being undertaken and plans laid for the extension of the project to the regions during the subsequent quarters of the Year.

Before the close of 1998 the project was fully established: all permanent staff positions were either filled or recruitment was finalized, all vehicles had been acquired, back-up generators installed, office systems in place and computer equipment was in the process of procurement. The project started 1999 with solid technical and administrative foundations and cordial relations with all its partners, public and private sector.

#### 4. Commitment to Results

The project is committed to achieving the results presented in the following table under its performance-based contract.

##### CAE Results (CR)

CR 1 :	Improved domestic market information on cereals, livestock, and alternate commodities available on a timely basis
CR 2 :	Improved West African and other international market information and technology available on a more timely basis to Malian agribusiness operators
CR 3 :	New product opportunities in primary and processed commodities test-marketed by Malian agribusiness operators with domestic, West African and international trading partners
CR 4 :	Increased awareness and use of competitive production and processing opportunities and technologies by Malian agribusiness operators
CR 5 :	Increased capacity of Malian agribusiness operators to develop bankable (feasible) business plans and manage successful businesses
CR 6 :	Agribusiness operators' access to and use of equity and working capital from Malian and other financial institutions increased
CR 7 :	IER operating on a more sustainable basis in providing improved customer services to the agribusiness community
CR 8 :	Central Veterinary Laboratory (CVL) operating on a more sustainable basis in the provision of services to the agribusiness community
CR 9 :	Role of commercial private sector in implementation of agricultural development policy (crops and livestock), clarified, discussed, and disseminated
CR 10 :	Foster harmonization of product quality regulations and standards within West Africa and with other trading partners
CR 11 :	CAE results framework, indicators, and targets validated, maintained, and reported on in close collaboration with USAID SEG, USAID Results Center, and other CAE and Mission Partners

For the Work Plan, an activity chart was prepared for all the CR's ( in Annex A, the old nomenclature of Intermediate Results was in use) and the document was presented and discussed with the agribusiness community on October 1 at the project launch. It has served as an indispensable guide to implementation during the whole of Year 1. It has required little revision, an indicator of the appropriateness of the original project design and the rapid appraisal phase of the project.

## **5. Structure**

CAE formal status in Mali is that of a technical assistance contract between AID and Chemonics International Inc. As part of AID's Strategic Economic Growth program oversight of CAE comes under the responsibility of a Ministry of Agriculture consultative committee chaired by the Minister, of which the secretary is Dr Camara.

The current structure and staffing of the project is as shown in the organization chart on the following page. Originally, the project was grouped round technical specialties (business management, marketing, processing, etc.). However, this required excessive coordination and supervision from the project director (COP). The current simplified structure was therefore adopted, under which technical staff are grouped into 4 units: development, information, training / communication and policy. Administration / finance and the partners' fund play a support role to these technical units.

Insert organization chart

It is the commercial development unit which drives the project's multiple agribusiness development activities (business management, finance, product and market development, quality, etc). The policy unit leads and advises the project on institutional relations in the fields of sector policy, trade and public service provision, organizational development in the private sector, lobbying etc. The information unit maintains and develops information services for the project as a whole and for Mali's agribusiness sector. Its staff gather and publish, electronically and otherwise, information on market conditions and product technology in the target sub-sectors. It also develops linkages with other information providers in Mali, the region and worldwide. Training and communication, a recently revised and extended post, coordinates project activities in these areas, ensures that they adhere to a coherent policy and comply with the highest standards.

## **6. Facilities and Equipment**

The project is situated in a 2 story converted residence in Korofina Nord, Bamako that provides good accommodation for 20 members of staff, a training / conference room for 40-50 people, an IT training / internet access / documentation room with 4 computers ready for immediate access by project clients, and 2 more smaller meeting rooms. There is a canteen, with both indoor and outdoor accommodation, a covered parking area for the project vehicles and on a separate site parking for up to 20 visitors' vehicles. For its current level of development, the project is well-equipped, as the following list shows :

- 6 Jeeps
- 26 Computers and 2 servers (one internet, one intranet)
- 6 printers
- 1 scanner
- 7 telephone lines providing voice, fax , and internet communication
- 2 photocopiers

## **7. Performance**

Chemonics and its partners are bound to SEG Mali by a performance based contract renewable on an annual basis. The following performance assessment was made by AID Mali in June 1998, after 12 months' work :

	Rating (max =5)
Quality	5
Cost Control	4
Timeliness	5
Customer satisfaction ; USAID	4
Customer satisfaction ; end users	3
Total score	21
Mean score	4.2

Since a score of 3 is judged as meeting the terms and conditions of the contract, and a score of 5 is only given when work is of an exceptionally high standard, it is clear that overall performance in the first three quarters of Year 1 exceeds the standard. The lowest rating was for end-user customer satisfaction, and is considered satisfactory. CAE is aware of the scope for improvement in this area, although many of its initiatives designed in Quarters 1 to 3 had not been fully implemented when the assessment was made.

## **SECTION III**

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### **Year 1 activities**

This section contains a summary of project activities by objectives and by each quarter of Year 1, for :

- Agribusiness development
- Policy and Regulations Activities
- Market and Technological Information

It is complemented by more detailed information presented in the annexes :

Annex B : Summary of Year 1 Results.

Annex C : Modifications to Work Plan activities are described in.

Annex D : Project Outputs (reports, consultancies, missions, etc.)

#### **1. Agribusiness development**

**Objectives 3 & 4 : New product opportunities test-marketed; production/processing techniques improved**

#### **Quarter 1 : October – December 1998**

The following priority activities were selected for development :

- Marketing better quality fresh and processed fruits, vegetables and forest products to Europe
- Improving ruminant and poultry feed formulations and utilization
- Better regional livestock market information
- Improved rice processing using small scale milling equipment

#### **Quarter 2 : January – March 1999**

- Sponsored Central Veterinary Laboratory (LCV) and Tam Fruits and Vegetables at the 2<sup>nd</sup> CEDEAO Commercial Fair in Accra 26 February - 7 March, 1999. New client contacts and improved awareness of regional marketing issues. Contacts with similar development projects in the sub-region.
- Designed a comprehensive feasibility study for the establishment of a commercial, industrial-scale animal feed mill.
- Designed a study of potential markets in Ivory Coast for high quality Malian rice.
- Designed a packaging study to improve packaging design and labeling of Malian agribusiness products.

- Designed a training program on product norms and standards for ruminant and poultry feed.
- Designed a project component relating to production quality control and hazard analysis critical control point (HACCP) systems in commercial processing enterprises.
- Designed a marketing program to promote improvements in the quality of other coarse grains, such as millet and sorghum, using locally available equipment.

### **Quarter 3 : April-June 1999**

- Consultative framework on rice established in the Office du Niger zone to provide resources for rice product quality improvement and marketing.
- Introduced the CAE to approximately twenty fruit and vegetables importers in France, the United Kingdom, Holland and Germany ; CAE can now broker partnerships between Malian exporters and European importers.
- Test marketed mangos to three English importers, who responded favorably. The Center shipped, in close collaboration with AMELEF and APEFEL, 35 tons of fresh mangoes by sea to British and German importers at the end of June.
- Presented samples of solar and gas-dried mangoes to three importers in Europe. Hibiscus samples were sent to two companies, one in Germany and the other in the US to find markets for the 20-ton stock belonging to the Malian firm, SOCOMER.
- Study commenced on the feasibility of a new cattle and poultry feed industrial plant in Mali.
- Study commenced on the marketing of Malian high quality rice in the Ivory Coast.
- Study of mango development opportunities completed.
- Study completed on product quality control for export and domestic markets of fresh produce.
- Trained livestock producers in more efficient and cost-effective production practices.

### **Quarter 4 : June to September 1999**

#### **Fruits and Vegetables**

- Monitored the expedition, arrival and sale of the mango shipments to Britain and Germany. On-going analysis of the post harvest, logistical and financial aspects of the operation to identify lessons for next year's mango exporting program.
- Assisted agribusinesses and DNCC in the organization of the Mopti Commercial Fair, scheduled for late-October.

- Identified training needs for producer associations involved in shallot production in Bandiagara.
- Prepared informational materials concerning export crop potential for the Salon d'Agriculture Régional à Abidjan (SARA) 1999.
- Developed a strategy to promote and assure quality control for Malian agricultural exports based on the report of a quality control consultant and food chemist which analyzed existing quality control measures and elaborated a detailed program aimed at improving the quality of agricultural exports.
- Continued assistance in identifying potential buyers for hibiscus and sesame exporters.

## **Cereals**

- Finalized the market study on first quality rice in the Côte d'Ivoire; Information on distribution circuits, key importers, prevailing market prices, regulatory statutes will be provided to Malian processors seeking to enter the Ivoirian market.
- Developed the CAE strategy for the maize sub-sector, identifying marketing and transformation activities for Year 2.
- Agreement with CMDT on a memorandum of understanding with CAE similar to that agreed for rice production, which will apply to CMDT's agricultural diversification activities, starting with maize processing.
- TA to village associations on improved rice milling techniques reviewing appropriate milling equipment, producers and agents in order to identify material which the CAE will help local village associations acquire during the coming year.
- Organized the participation of cereal processors for SARA 99. Packaging material manufacturers have submitted bids to provide improved packaging materials for Malian participants.

## **Livestock**

- Feasibility study of the industrial-scale animal feed mill completed and plans made to prepare an investment prospectus for potential promoters and financial partners.
- 86 producers trained in ruminant and poultry feeding practices at CAE premises. Topics were : nutritional norms and standards, improved feeding practices and calculating feed production costs. National TV and radio broadcasts stressed the importance of nutritionally balanced animal feeds.
- Nutritional analyses of locally available feed ingredients and technical specification for 10 least-cost animal rations (egg, milk and meat production) were completed at the Animal Nutrition Laboratory, CRRA – Sotuba, as part of quality control of animal feeds. This information is being used to develop a regional (Ségou, Sikasso, Mopti and Koulikoro)

information/ training program and a manual of best practices for preparing livestock and poultry rations for producers.

- Work began on a regional marketing program for livestock in collaboration with USAID, CILSS, OMBEVI and regional partners in Sikasso, Ségou and Mopti.

**Objectives 5 & 6 : Improved business planning, management capabilities ; Increased access/use of equity and working capital**

**Quarter 1 : October – December 1998**

- Established training needs among support services, enterprises, associations and bankers, based on seminars held at CAE.

**Quarter 2 : January– March 1999**

- New Enterprise Development Project (NED), Morocco, assists with design of CAE's training program for agro-entrepreneurs and agro-enterprise service providers.
- Developed training modules for enterprises to provide uniform, high quality training to business clients.
- SERIMA (Society of Rice Mills of Mali) assisted with their business plan to obtain operating funds for the present rice campaign.
- COGETRAM, a corn processor, assisted in developing a business plan to enlarge its processing capacity.
- Assisted 5 local banks and 13 local accounting/consulting firms to examine ways to increase agro-entrepreneur's access to bank credit.
- Discussed business development training needs with 23 organizations including banks, entrepreneurs and accounting/consulting firms.

**Quarter 3 : April – June 1999**

- Completed a survey of national and international financial institutions and credit policies.
- Network of specialized business development trainers created : 20 out of 240 applicants retained for a Training of Trainers workshop (May 10-14, 1999).
- Training modules developed in : (1) Know your Business ; (2) Know your Costs ; (3) Know your Market ; (4) Know your Cash-flow.
- Seminars on business accounting in the agribusiness sector with participation by 25 promoters and 6 accounting firms.



## **Quarter 4 : July - September 1999**

- Continued business training to agribusiness operators at the CAE and extension of training activities to the regions (Koutiala) ; 80 participants attended training in the following modules : Know Your Costs, Know Your Business, Know Your Market, Know Your Cash Flow.
- Two additional modules were created concerning inventory control, marketing strategy and will be offered during the next quarter.
- Analysis of business development needs at the Central Veterinary Laboratory and provision of four business development modules to key administrative personnel.
- Development of a business trainers network and the provision of training in business plan development to network members.
- Elaboration of a working document to define the possible roles of the CAE in furnishing credit to the agribusiness sector.
- Study on "Financing sources in Mali : The case of agribusinesses" being used at CAE as working document. To be finalized and distributed to agribusinesses.
- Establishment of institutional relations between the CAE and regional financial institutions (AFDB, WB, SCOD, WADB among others) during a visit by the financing specialist to Abidjan, Lomé and Cotonou.

## **2. Policy and Regulations**

**Objectives 7 & 8 : IER and LCV operating on a more sustainable basis**

**Objective 9 : Private Sector role in policy clarified/discussed**

Objective 10 : Regional product quality standards harmonized

## **Quarter 1 : October – December 1998**

- Agreement reached with the Laboratoire Central Vétérinaire, LCV (Central Veterinary Laboratory) regarding improved marketing of their vaccines and a more market driven focus in overall management of the Laboratory.
- Agreement reached with the Institut d'Economie Rurale (IER) to examine possibilities for income generation from service provision and sale of research and agronomic products (e.g. seeds and plants).

- Reviewed options for further privatization within the agribusiness sector and established that there were no immediate fields of activity for the project at this time.
- Participated in the EAGER project seminars relating to labor productivity and the rice and red meat sectors.
- Participated in the forum of the FNEM (Fédération Nationale des Employeurs du Mali) on business training.

## **Quarter 2 : January – March 1999**

- Attended seminars and discussion groups in Accra, Ghana, relating to regional commerce, private sector financing and transport.
- Proposals formulated to strengthen the capacity of LCV's toxicology laboratory to carry out routine analyses of agricultural products intended for export and on improving the marketing of vaccines produced by the LCV.
- Discussions held with key entrepreneurs at the West African Enterprise Network and Chamber of Commerce and Industry of Mali to identify key areas for strengthening the advocacy and organizational capacity of private sector groups.
- Collaboration agreed with :
  - Ministry of African Integration, Ministry of Finance, Ministry of Rural Development, the Regional Coordination of CILSS and the National Coordination Committee of CILSS, CEDEAO and UEMOA.
  - public services such as DNAE, OMBEVI, OHVN, APROFA.
  - private voluntary groups such as CLUSA, G-Force, ACOD and SABA.
  - the Royal Embassy of the Netherlands, the French Development Agency and the Canadian Cooperation.
- Formulation of a regional trade program through :
  - Collection of information on activities or initiatives underway at the sub-regional level by different institutions.
  - Identification and prioritization of major issues and constraints based on CAE's mandate, technical program objectives and comparative resource advantages (e.g. development of border markets for livestock/livestock product exports, strengthening national/regional professional organizations, promoting regional investments).

## **Quarter 3 : April-June 1999**

- LCV : An agreement was negotiated with the laboratory to develop a strategy and business plan to strengthen the marketing of vaccines.
- Established contacts with CILSS and WAEMU in Burkina and Ivory Coast regarding regional trade in livestock..
- Monitored the establishment of border livestock markets with OMBEVI and USAID.
- Continued work on public / private sectors dialogue on agribusiness with the MDRE, Chambre de Commerce et d'Industrie du Mali (CCIM), the Ministry of Economy, Planning and African Integration (MEPIA), and the Ministry of Industry, Commerce and Handicraft (MICA).

#### **Quarter 4 : June to September 1999**

- Study concluded on IER's accounting practices containing an action plan to correct the excessive complexity of accounts and poor financial control.
- Agreement with the Malian Chamber of Commerce and Industry (CCIM) to hold a round table discussion on opportunities for agribusiness investment and growth.
- Worked with Ministère de l'Intégration Africaine on a joint program of information, study and training on UEMOA and its implications for agribusiness.
- Worked with UEMOA, CILSS and the Ministère du Développement Rural et de l'Eau (MDRE) on the common agricultural and food policy for member states.

### **3. Market and Technological Information**

#### **Objectives 1 & 2 : Improved Domestic, Regional & International Market Information**

#### **Quarter 1 : October –December 1998**

- Commenced operations of the Information Unit and of the procurement process for IT equipment, subscriptions to magazines and periodicals relevant to agribusiness development.
- Negotiated agreements with national and international providers of relevant market information.
- Staff training at the Fintrac headquarters in Washington in market analysis, publication of market reports using PageMaker, Paint Shop Pro and PhotoShop.
- Developed CAE's website at <http://www.agromali.com>.

## **Quarter 2 : January – March 1999**

- Update of the Web Site and registration on the major research web sites in order to develop the image of CAE on the Internet (www).
- Created the client data-base.
- On-demand information searches for clients and partners in the agricultural and food sector.
- Completed protocols for information exchange and development with :
  - The Observatory of Agricultural Markets
  - The National Directorate of Economic Affairs (D.N.A.E.)
  - The Planning and Statistics Cell (C.P.S.) of MDRE
  - The Malian Office of Livestock and Meat (OMBEVI)
  - The Rural Economy Institute (IER)
- Agro-enterprise/partner database fully operational, following specialist consultancy in data base design and management.
- Carried out IT needs assessments, inventories and technical audits for CAE customers and partners in the District of Bamako.
- Designed training program for Internet use (contents, methodology, impact assessment).

## **Quarter 3 : April-June 1999**

- Cyberspace and library operational with the installation and configuration of all CAE computers and connection to the Internet.
- Follow up training in web site creation by Fintrac from Washington.
- Initial training in CDS-ISIS, library management software.
- Developed memoranda of agreement with national information providers. Institut d'Economie Rurale (IER), Observatoire des Marchés Agricoles (OMA), Direction

Nationale du Commerce et de la Concurrence (DNCC), Cellule de Planification et de Statistiques (CPS) of the Ministry of Rural Development and Water and Réseau Africain de Développement de l'Horticulture (RADHORT) of the Direction Nationale de l'Aménagement et de l'Équipement Rural (DNAER).

- Discussions with information providers in Senegal, Burkina and Ivory Coast established exchange partnerships in Senegal and Burkina.
- Information Unit Publications : weekly price bulletins for Europe and the Middle East markets ; articles on the results of the 1998/99 green bean season and the global state of the mango market.
- Provided clients, partners and members of the CAE team, with information on processing technologies, prices on international markets for processed and fresh products in Europe, suppliers of packing material and equipment, importers of hibiscus, shea, sesame, and cashew nuts.
- Provided potential importers in Europe and Asia with quotations for Malian shea butter, almonds, cashew nuts, and sesame products.
- Established the CAE's activity monitoring and evaluation system using data from the agribusiness data base.

#### **Quarter 4 : June to September 1999**

- Completed the directory of Malian agribusiness and input supply companies ; to be presented at SARA 99 in Côte d'Ivoire.
- Monitoring and evaluation activities have been intensified in the light of the growing number of project activities and outputs and the conclusion of Project Year 1.
- Continued production of regular publications and provision of information services to an increased number of users now that the IT equipment, internet access and intranet are fully operational.
- Continued library development with the help of a trainee librarian.
- Information Exchange Agreements finalized with OMA, PASIDMA and AID Mali.
- Negotiated new protocols with information providers (SIM) in Senegal and Mauritania.
- From next quarter, a Malian national will take the place of the expatriate IT specialist who returned to Canada in July. The new staff member will continue website development and other IT outreach activities such as training.

## SECTION IV

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### Financial resources

#### 1. Expenditure

The following table shows the breakdown of the contract budget by contract line item, year, and disbursements by quarter in Year 1.

The table shows :

- Overall spending is on track at just over \$3 million in Year 1 of a 5 year contract whose total value is \$15 million.
- Agribusiness development is on track and is the major budget item and also of Year 1 expenditure. It should be noted that since a considerable portion of Year 1 was taken up with diagnostic and planning activities, Year 2 requirements may exceed those of Year 1, which could pose constraints on funding for this CLIN at similar levels of disbursement in subsequent years.
- Spending on information and communication is currently only 10% of the total, partly due to IT equipment having been installed only recently. After year 2 operation in Bamako and the regions it will be clear whether later adjustments to this item will be required.
- A similar situation arises in Policy and Regulation while M&E remains on-track for this early stage in project activities.
- Equipment, vehicles and freight, are close to the full budget provision, which needs to be revised ; the opening of field offices will place additional burdens on this CLIN (see Annex E for details).
- Training is also under-spent, despite intense activity in the subject. This is because the training so far has been mainly related to commodity sub-sector development, not long-term academic training, which is what the budget provides for. This type of training will come on-stream during Years 2 and 3, once the training and communication strategic plan has been devised by the new Unit head.

## Chemonics International SEG Mali Contract Budget in USD

BUDGET			FY 98 QTR 4	FY 99 QTR 1	FY 99 QTR 2	FY 99 QTR 3	YEAR 1
CLIN 1	Ag. Bus. Dev.	9 335 367,00	570 156,24	436 283,30	489 522,00	689 256,54	2 185 218,08
CLIN 2	Info & Comm	2 414 828,00	26 672,94	71 588,78	72 803,04	72 032,37	243 097,13
CLIN 3	Policy & Reg.	1 947 870,00	3 731,08	22 383,01	21 476,37	23 983,91	71 574,37
CLIN 4	M & E	394 307,00	9 877,07	10 008,44	19 955,27	17 929,03	57 769,81
CLIN 5	Eq., Veh. & Fr.	536 865,00	3 444,56	306 461,15	87 733,55	120 001,40	517 640,66
CLIN 6	Training	374 264,00	0,00	12 879,66	9 300,25	15 693,50	37 873,41
15 003 501,00			613 881,89	859 604,34	700 790,48	938 896,75	3 113 173,46

## 2. Partners Fund

The Partners Fund is not mentioned specifically in the Budget, since it does not exist as a Contract Line Item in its own right, but draws upon funds from the existing CLINs, mainly Agribusiness Development, CLIN 1. Considerable work has gone into preparing a procedures manual for subcontracting under the Partners Fund. Based on AID regulations and procedures, as well as Chemonics own practices and experience, it provides a transparent and accountable mechanism for disbursing funds to subcontractors.

However, the resources originally assigned to the Fund, \$2.3 million, appear from Year 1 disbursements of \$64,000 to be excessive. During the course of Year 2 proposals will be drawn up to more accurately assign resources to the Fund in the light of experience and our plans for extension of our activities to the regions.

## SECTION V

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### **Project Achievements**

This Chapter summarizes Project Achievements. It also identifies some of the constraints encountered in implementation and describes how they were addressed.

#### **1. Achievements**

The main achievements of the project in Year 1 are :

#### ***CAE is now a central player in the development of Malian agribusiness***

CAE is now an essential point of reference for all national partners of agribusiness development in Mali, as is demonstrated by the following :

- Growing use by entrepreneurs of the project's training and information facilities, as well as of CAE's website ; favorable reports have been received from international and local users on the sites design and content.
- An increasing number of demands for services country-wide and widespread approval of the committed and pragmatic approach to development opportunities.
- High and growing level of participation by agribusiness people in project events such as its launch in October 1998, the regional workshops in Ségou, Sikasso, Mopti and Koulikoro and the numerous training and discussion sessions held at the CAE since March 1999.
- Effective collaboration with agencies of the Ministry of Rural Development and Water (MDRE) such as Office du Niger, DNAMR, SLACAER, IER, LCV, with the Ministries of Industry, Finance , Economy, with CMDT and national associations such as APCAM, CCIM and WAEN.
- CAE now plays a key role in collaborative arrangements with other donor programs relating to agribusiness development, for example : Pasidma, Eager/ATRIP, Virginia Tech, SFI, INTSORMIL, CLUSA, APROFA, Canadian International Development Agency, APEP.
- The positive response to CAE's initiatives gives grounds for a widening role of CAE in promoting a productive dialogue between agribusiness and the state. The first step in a series of planned initiatives will be the Investor's Round Table for Agribusiness with CCIM in October 1999.



***CAE promotes effective linkages between agribusiness and its regional and international partners***

CAE has undertaken the following regional and international initiatives :

- Agribusiness information exchange agreements with partners in Senegal, Côte d'Ivoire, Burkina Faso and potentially Mauritania.
- Market research of West African, European and Middle East opportunities for Malian agribusiness products.
- Strategic planning with COLEACP (EU) of fresh produce export development in West African in order to improve access to the European market.
- New and innovative commercial linkages between Malian suppliers of high quality alternative products and European and Middle East importers.
- Improved information flows between regional financial institutions and agribusinesses, thus positioning the Center to facilitate agribusiness' access to appropriate financial services.
- Participation in debates on regional trade at UEMOA, CILSS, etc.

***CAE brings home to Malian agribusiness the reality of the international market***

By proactively seeking out potential business opportunities for its partners, CAE has contributed to a better understanding of market requirements for Mali's current and potential exports by :

- Test marketing 39 tons of fresh mangos to North European markets and closely following up with UK and German importers regarding fruit quality, distribution, market preferences, prices, communications etc.
- Examining the Côte d'Ivoire market for Malian rice and recommending commercial strategies that processors and exporters can benefit from.
- Determining the scope for improved animal feeds in Mali's internal market and preparing a strategy for responding effectively to demand.
- Contributing to the livestock border market initiative and forging closer links between Malian exporters and regional importers.
- Providing agribusiness with feedback from potential importers on market requirements for hibiscus and sesame.
- Monitoring shipments of Malian green beans on the French market, allowing exporters to negotiate better terms with their commission agents at Rungis.

- Providing regular price bulletins on European and Middle East markets.
- Carrying out market research for CAE clients.
- Publishing market analyses of green beans and mangos in the UK and France.

***CAE has developed new business opportunities for Malian agribusiness***

CAE is helping investors identify new viable opportunities through its market tests and feasibility studies in the areas of processing, packaging and marketing. For example :

- Proposals for improved rice milling in Segou are well advanced and can be implemented in the year ahead.
- Maize processing is ripe for improvement and plans for a new investment in the area of Koutiala are under preparation, in close collaboration with maize producers and CMDT.
- A detailed feasibility study of an animal feed plant to be based in Segou demonstrates a favorable return to investment and will shortly be available to potential partners.
- Detailed planning of the next mango season targets sea shipment to the more profitable North European market, will help reduce dependence on the over-supplied French market.
- Promotion of Malian products at the CEDAO fair in Accra in February 1999 and SARA in Abidjan during November 1999 ; attendance at the AGF fair in Rotterdam, September 1999.

***CAE is increasing the management capacity of Malian agribusinesses***

CAE is helping develop the management and financial skills of agribusinesses, input suppliers and service providers such as accountants, management and technical consultants, financial institutions and government agencies. In February 1999, the project developed an SME component under which it has provided over 20 courses in business management to such clients/partners, with 200 participants. Demand for such services is high and growing (for which a charge has been made from the start), thus validating our approach and demonstrating the absence of comparable services in either the private, NGO or public sector.

***CAE strengthens agribusiness associations and partnerships***

Through practical measures to develop agribusiness, CAE has contributed directly to stronger and more self-reliant associations :

- The Chamber of Agriculture, Commerce and Industry is working with CAE to develop a section specifically for agribusiness; along with other initiatives, this has the potential to develop into an umbrella organization of agribusinesses and specialized service providers that can promote the interests of the sector and eventually assume many of CAE's current activities.

- The two fruit and vegetable exporter associations, AMELEF and APEFEL, collaborated for the first time in CAE's major mango test marketing, opening up the possibility of creating a unified and strengthened organization better able to represent members' interests.
- To alleviate seasonal oversupply of the internal market, CAE works with associations of onion growers in Bandiagara and Niono to plan training and technical assistance to develop a coordinated approach to sub-sector development.
- Maize producers in Koutiala and rice producers in Segou access CAE support to processing, marketing and business management through their respective associations.
- Cattle and sheep fatteners / finishers, intensive poultry operators and animal feed producers meet regularly at CAE to discuss development needs and are planning to create a national trade association to resolve common problems and develop a coherent strategy for growth.

### **Constraints Encountered and Responses Proposed**

#### **2. Constraints**

During execution in Year 1 the following major constraints were encountered :

##### **Investment and finance :**

- Current low level of agribusiness development and scarcity of private entrepreneurs prepared to invest in the sector.
- Available financial services are very limited in volume and are poorly suited to the needs of emerging agribusiness.

##### **Contractual restrictions :**

- Inability of CAE under its present contract to provide finance to agribusiness operators in a recoverable and sustainable fashion .

##### **Rationalization of Sub-sectors :**

- Commodity sub-sectors and the industry associations need to be rationalized and become more professional in their approach.
- The absence of Malian quality norms generally hinders access to export markets and holds back development of the internal market, while livestock suffers from poor price competitiveness on the regional market.

### **3. Responses**

#### **Investment and finance :**

After consultation with Malian banks, regional and international financial institutions and private business CAE :

- Trains businesses and their service providers (accountants, management consultants, etc) in preparing business plans and bankable projects for finance.
- Provides direct technical assistance to businesses requiring finance to improve the content and presentation of their projects and help them submit their proposals to appropriate sources of funding.
- Has prepared a detailed review of the focus and procedures of financial institutions working in agribusiness in Mali and the region which is to be circulated widely in Mali.
- Has organized an investors round table for October 1999 to identify with the private and public sector further actions for the CAE to undertake in encouraging investment in agribusiness.
- Is designing an investment prospectus for the proposed animal feed mill to attract financial partners to this viable major project.

#### **Contractual restrictions on CAE to provide finance :**

CAE is developing a proposal to AID Mali that would allow CAE to provide finance to selected agribusinesses. Under its present contract, the only financial instrument at our disposal is direct aid, the recovery of which is not provided for.

The Partners Fund is not intended to serve as a financial tool, but as a technical services procurement device. It still requires further work to ensure that it acts as intended to facilitate partnerships with other service providers or beneficiaries.

While its role is still important for the project, operations like the mango test or the proposed maize degermers and rice graders require goods procurement mechanisms that are speedy and transparent. Yet they should also specifically provide for the recovery of funds and be linked to financial services that allow for sustainability. To devise such mechanisms ad hoc when working to tight seasonal or export timetables is clearly not possible.

It is therefore a high priority to develop the proposed finance component for the project and obtain the necessary approvals from AID to implement it in favor of commercial activities with a pay-off in terms of sub-sector development. Some concrete examples already at an advanced stage of development are mango exports, rice milling and marketing, maize processing and marketing and animal feed production.

Other possibilities at an earlier stage in CAE are mango processing, packaging, millet and sorghum processing and marketing.

### **Rationalization of Sub-sectors :**

Weak or non-existent trade associations prevent Malian agribusiness from channeling resources to where they can be of most benefit. Lack of commodity sub-sector strategies and their accompanying organizational structures undermines the competitiveness of Malian products and hampers growth. CAE is addressing these problems through :

- Sub-sector coordination agreements (cadres de concertation) for maize and rice, and institutional development of AMELEF and APEFEL for fruits and vegetables.
- Specific interventions at critical points in the sub-sectors to demonstrate the latent business potential that can be tapped through collaborative activities such as consolidated consignments of fruit to Europe, joint marketing of livestock, co-investment in processing equipment, coordinated production marketing programming for shallots, etc.
- Facilitating discussion of common problems among private operators of the same sub-sector in training exercises, conferences, workshops, etc.
- The development of a strategy for the emergence of an umbrella organization of the agribusiness sector.

**Competitiveness** is enhanced through several mechanisms :

- By supplying Malian agribusiness and their potential partners worldwide with timely and accurate market information. The Center has established information exchange agreements with national, regional and international information providers and has been instrumental in extending such linkages to Mali's existing information services. External market information availability in Mali has dramatically increased as a result of since CAE's activities.
- Ensuring that product quality at a given price level is superior to its rivals. CAE has developed a quality improvement program that requires the mobilization of participants from the public and private sector, many institutional and even legislative changes, and regional and international agreements.  
The subject is complex and in its entirety far exceeds CAE's capacity to ensure successful implementation. However, we have provided the initial impetus in developing a viable strategy that accords with international norms and standards. We are hosting a series of training and discussion sessions with the nascent Malian association of quality control that will provide a collaborative framework for the future. In its ability to contribute international technical assistance to this process, CAE will play a leading role in promoting sustainable quality improvement.

- CAE is following closely the national and regional debate on the UEMOA customs union, which has far-reaching effects on price competitiveness here and in the sub-region. Under UEMOA, internal tariffs will disappear and a common external tariff, lower than the current average, will be adopted.

Other trade protection measures will be phased out. The role we envisage for the Center is to disseminate information on the impact of UEMOA on agribusiness and foster debate and concerted action in areas where influence on government can be brought to bear on behalf of agribusiness, few though those opportunities may appear to be. Furthermore, we will ensure that information regarding quality norms and standards raised in the UEMOA forum are taken into account in initiatives to ensure better quality in agricultural products.

## SECTION VI

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### Strategic Issues

In pursuing the results specified under the contract, CAE has identified the following issues that are crucial for the project's success in achieving sustainable benefits to Mali's agribusiness development.

#### 1. Private Sector Development

As a private sector development project with an agribusiness focus, SEG Mali seeks to promote economic growth by providing support to key agricultural commodity sub-sectors, thereby reinforcing private sector leadership of agribusiness. In doing so, CAE is now accepted as a valid partner in the private / public sector policy dialogue. High priority is accorded to developing this partnership, since it will be crucial in establishing private sector leadership of the agricultural sector and defining more clearly a sustainable role for government in agribusiness development.

An important tool for this task is CAE's integrated communications strategy currently being formulated. It will promulgate our approach and publicize concrete and successful interventions, in order to inspire the confidence of business to invest in commercial agriculture and agro-processing. This in turn will create a demand on government to provide or facilitate the provision of the tools and services it requires for growth.

Simultaneously, direct high level contacts with business leaders and politicians on specific agribusiness issues are brought into play. Once the ground work has been laid, and Year 2 will be critical in that respect, the battle for the minds of the decision makers can commence in earnest. SEG Mali requires every support possible from AID in this effort, including visits to the Center from national political leaders.

#### 2. Public Sector Partnership

CAE is effective in helping LCV and IER improve the performance of their own agribusiness products and services. Success in these areas will allow us to address the major challenge to help the public sector redefine its policy making for agriculture, where the entrepreneur's interests take precedence over the existing practices of government entities and the regulatory framework is adapted to suit the requirements of economic growth and thus of business. Again, full support from AID in this respect will be vital.

#### 3. Association Development

Association development is a vital tool for private sector development. It is also an integral part of commodity sub-sector development. The participation of formal or informal groupings of businesses is actively sought out at the planning and identification stage for new activities. They either take direct responsibility for execution or are closely involved in CAE's own actions when for technical reasons the project has to take the initiative. If such groupings do not already exist, CAE encourages their emergence through discussion of common problems and opportunities, training sessions and other fora, whether at local, regional, sectoral or national levels (e.g. the *cadres de concertation du riz et du maïs.*, the *cercle de qualité*, the Investors Round Table). Through commercially successful or fruitful activities sponsored by

CAE (such as test marketing, business and processing training, market research, etc) the practical advantages of an associative approach are demonstrated and new adherents to the groupings are enlisted. CAE resources can then be applied to the institutional development of the associations, with the intention of enhancing both their effectiveness and their sustainability. This is currently the case with AMELEF and APEFEL in the fruit and vegetable sector.

#### **4. Training**

One of the most significant results from Year 1 is the discovery of a great thirst for agribusiness training, whether it be from a financial, marketing, management or production perspective. The number of participants, locations and topics for training is multiplying monthly. It is quite conceivable that after a full year of operation, the training activity will have assumed a life and momentum of its own, and may even require a separate identity.

In which case, CAE must be prepared to facilitate such a process and withdraw progressively from the daily planning and production of training services and allow the market to take over. From Day One, we have charged for training.

While presently only token amounts are involved, these monies are beginning to accumulate and may well form the initial capital of a fledgling private training institute. As the charges to participants are brought more in line with market prices in Year 2, that capital will become more substantial and could be converted to shares in a training enterprise.

CAE could then take a capital stake in the enterprise and procure from it the training services required under its annual work plans. On completion of Chemonics current contract, the training activity could be self sustaining, given its unique ability to provide services for an under-supplied market niche. Since such a mechanism has many implications under FAR and AIDAR, CAE will consult both internally with Chemonics, and with Contracts at AID Mali, to assure full compliance, or find a more appropriate solution.

#### **5. Information**

In a similar vein, information services to institutional and private users is growing as CAE's linkages to information providers come on stream. In Year 2 we expect a similar growth pattern to training so that by Year 3 an income stream from the sale of information products has begun to form a "social capital" that can be used to establish a separate entity with clients of its own, as well as CAE.

Certain aspects of CAE's information work can also be expected to be assumed by OMA, which has its own sustainability concerns to address. Given OMA's statutory obligations, its institutional position within APECAM, which give it greater permanence than a project such as CAE, we will facilitate the transfer to OMA of activities more suited to a public service than to a private enterprise. An example of CAE's flexibility on this topic is our collaboration with OMA over information exchange with regional providers, where CAE took the first step but is now subsuming its work within the OMA-PASIDMA-CAE alliance.



## **6. Technical Assistance**

In technical assistance, the sustainability issues are less clear cut. Without the subsidized technical assistance CAE provides, none of the current projects for commodity sub-sector development would get off the ground. Most of the projects are medium to long-term for a 5 year contract, so their sustainability is dependent on TA, some of which has to be international, given the limited experience of Malian expertise in certain areas. A combination of measures is therefore required :

- The beneficiary should share with CAE the cost of professional services to enterprise development projects as soon as possible ; this is currently the practice for Partners Fund procurements of professional services and should be progressively extended to other types of support.
- Training of Malian specialists to provide professional services initially only available outside Mali : an agribusiness training plan is required which will include placement in US and other foreign academic institutions.
- Replacement of expatriate staff by Malian specialists as the project advances.
- Outsourcing of technical services to competent local and regional suppliers ; capacity building is already underway for business financial management service providers.
- Extend training and capacity building to agribusiness support service providers ; IER currently receives advice on how to increase its own sustainability through more effective responses to its clients' needs ; private consultant companies specializing up to now in rural development should be encouraged to work more on commercial agriculture, processing and marketing.
- Selecting for development only those aspects of a commodity sub-sector with a high pay-off in terms of profitability and value-adding, so that an enterprises' self sufficiency can be reached within the contract life time.
- Ensuring through training that the technical and management skills for continued sub-sector development, initially supplied by CAE, will be available in Mali after the contract ends.

## **7. Quality**

Mali needs to be more aware of quality as a key factor in market access and the lynch-pin of durable economic growth. CAE has identified several areas in commodity development where quality assurance will play a critical role. A similar concern informs our initiatives in policy, information provision, training and association development.

Based on Chemonics own demanding quality and performance standards, and in response to AID and Mali's high expectations of the project, CAE therefore aims to establish itself as a Center of Excellence for private sector development in Mali. At every opportunity we emphasize the need for quality, in agricultural products and in business services, financial analysis and organizational development. Poor commercial performance of agribusiness and sub-standard products will undermine Mali's trading prospects. If CAE is associated with such activities, its ability to influence its partners will also be weakened. Thus quality assurance for all our activities is a prime responsibility of all CAE staff and partners.

## CONSULTANTS REPORTS

NAME	REPORT TITLE	DATE	SENT TO AID
Jacques Mizrahi	IER's Commercial Services (Draft)	September 99	
SNED	The Rice Market in Côte d'Ivoire	<b>August 99</b>	X
Ahmed El Idrissi	Training of Trainers, Bamako	August 99	
Todd Bernhardt	CAE Style Manual	August 99	
Jean Yves Rey (CIRAD)	Fresh mango sub-sector: analysis and recommendations	<b>June 99</b>	X
Tidiani D. Diallo	A Communications Strategy for the CAE (Draft)	June 99	
J. Ferrière & A. Dembelé	Quality Improvement for Malian Export Products	June 99	
Tom Whitney	Mali CAE/SEG trip report	May 99	
R. Dreiman & K. Smarzik	Business Development Training	February 99	
Dick Cook	Livestock Sub-Sector Analysis	<b>Nov. 98</b>	X
David L. Olson	Mali SEG Workshop Facilitator's report	October 98	
Miranda C. Jabati	Export Potential of Malian Alternative Products on the European Market	September 98	X
Steven Humphreys	Rapid appraisal of the Mali SEG Project	August 98	
Francine Dione	Rapid appraisal mission, Bamako	August 98	
B Howald & A El Idrissi	Training of Trainers mission, Bamako	May 98	X

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## MISSIONS WITHIN MALI

Purpose of Mission	Staff Member(s)	Destination	Dates
Regional workshop,	A Lambert, A Sylla, D Diarra	Koulikoro	Jun 99
Regional Workshop	A Lambert, A Sylla, B Diallo	Mopti	Mai 99
Regional Workshop	Technical Team	Ségou	April 99
Regional Workshop	Technical Team	Sikasso	April 99
Cereals Exchange Workshop	Kalilou Tigana	Segou	April 99
Workshop planning	Aya Thiam, K Tigana Assa B. Kanté, D Diarra	Mopti, Ségou, Sikasso	11 – 19 Feb. 99
Reconnaissance and field contacts	Andrew Lambert	Mopti & Ségou	30 Dec. 98 au 04 Jan 99

<b>ANNEX A</b>	<b>YEAR 1 WORK PLAN</b>
<b>ANNEX B</b>	<b>YEAR 1 RESULTS SUMMARY</b>
<b>ANNEX C</b>	<b>MODIFICATION TO WORK PLAN ACTIVITIES</b>
<b>ANNEX D</b>	<b>PROJECT OUTPUTS</b>
<b>ANNEX E</b>	<b>FIELD OFFICE BUDGETS</b>

## **ANNEX A**

## **YEAR 1 WORK PLAN**

## ANNEX B

## YEAR 1 RESULTS SUMMARY

<b>Annex B: Year 1 Activity Chart and Results Summary</b>	
<b>MARKET RESEARCH AND DEVELOPMENT</b>	% completion / comment
<b>Objective 3: New product opportunities test-marketed</b>	
Activity 3.1: Priority products identified for testing	100%
Activity 3.2: Technical and financial feasibility studies	100%
Activity 3.3: At least 1 product opportunity tested	100%
<b>Objective 4: Improved Production/Processing Techniques</b>	
Activity 4.1: Survey of processing sector needs	activity modified
Activity 4.2: Training on norms/standards, etc	activity modified
Activity 4.3: Processors advised on improved production techniques	100%
Activity 4.4: Introduction of improved processes	activity modified
<b>BUSINESS DEVELOPMENT</b>	
<b>Objective 5: Improved business planning, management capabilities</b>	
Activity 5.1: Increased capacity of business support services	100%
Survey to identify candidate support services	
Develop training and technical assistance plan	
Implement training and TA plan	
Activity 5.2: Improved business skills of agribusinesses	100%
Needs assessment	
Develop training and technical assistance plan	
Implement training and TA plan	
Activity 5.3: Strengthened professional organizations	100%
Association strengthening needs assessment	
Training programs in Bamako and regions	
Activity 5.4 Improving Agribusiness Programming	activity modified
Development of training module	
Training programs in Bamako and regions	
<b>Objective 6: Increased access/use of equity and working capital</b>	
Activity 6.1: Census of banking/financial institutions	100%
Activity 6.2: Develop training/TA plan for banking sector	activity modified
Training/TA needs assessment	
Implement training plan	
Activity 6.3: Develop other financing options	activity modified
Activity 6.4: Feasible alternative finance implemented	activity modified
<b>POLICY AND REGULATIONS</b>	
<b>Objective 7: IER Operating on a more sustainable basis</b>	
Activity 7.1: IER develops/assesses a cost recovery plan	100%



<b>Objective 8: CVL Operating on a more sustainable basis</b>	
Activity 8.1: CVL develops/assesses a cost recovery plan	100%
<b>Objective 9: Private Sector role in policy clarified/discussed</b>	
Activity 9.1: Topical analyses developed	activity modified
Activity 9.2: Promote public-private dialogue	100%
Identify interest groups	
Prepare advocacy training course	
Activity 9.3: Other parastatal privatizations identified/addressed	100%
Activity 9.4: Institutionalizing the participatory process	100%
<b>Objective 10: Regional product quality standards harmonized</b>	
Activity 10.1: Regulatory barriers identified , reforms recommended	activity modified
Activity 10.2: Non tariff barriers identified, reforms recommended	activity modified
Note:** Meeting objectives 7 & 8 are beyond the manageable interests of the project.	
<b>THE AGRICULTURAL INFORMATION UNIT</b>	
<b>Objectives 1 &amp; 2: Improved Domestic, Reg'l &amp; Int'l Market Information</b>	
Activity 1: Establishment of Information Unit (IU)	100%
Training of IU staff	
Establish protocol with SIMS/other providers	
Identify and procure relevant information	
Activity 2: IU Products and Services Available	100%
IU clients identified and trained	
Products and Services available	

## **ANNEX C**

## **MODIFICATIONS TO WORK PLAN ACTIVITIES**

### **Annex C : Modifications to Work Plan Activities**

A limited number of the activities planned for Year 1 underwent some modification in the course of project implementation. Brief comments are provided below.

### **Objective 4 : Improved Production/Processing Techniques**

#### **Activity 4.1 : Survey of processing sector needs**

This was reformulated to focus on specific commodities : rice, maize and animal feed. A global review of processing needs was not deemed necessary with the inclusion on the CAE team of a Malian processing expert with wide knowledge of the sector and of an international livestock expert with unparalleled understanding of livestock needs and opportunities.

#### **Activity 4.2 : Training on norms/standards, etc**

Similarly, generic training needs are too numerous to be usefully addressed at the sector level. The activity has been carried out however in animal feed and nutrition and business management, while a needs assessment and strategic plan for quality assurance have also been implemented.

#### **Activity 4.4 : Introduction of improved processes**

This has taken place in the case of mango exports, and has been proposed for Year 2 in rice and maize processing, animal feed, mango processing and shallots.

### **Objective 5 : Improved business planning, management capabilities :**

#### **Activity 5.4 : Improving Agribusiness Programming**

Preparatory work for this activity was carried out in Year 1. This included the design and application of training modules in business management, marketing, costs and cash flow. A strategic planning module will be one of those added in Year 2.

## **Objective 6 : Increased access/use of equity and working capital :**

### **Activity 6.2 : Develop training/TA plan for banking sector**

A necessary condition for improved access to finance is to enhance the business management skills of enterprises. This has required a level of effort that surpassed original project expectations, preventing CAE from executing the proposed activity. CAE faced initial resistance from banks to engage in training via a donor project (CAE) when they already have correspondent courses from accredited “Instituts de Banque”. However, some bank training in Project Analysis and Business Plan/Cash Flow is planned for Year 2.

#### **Activity 6.3 : Develop other financing options**

Enterprises are being made aware of the potential of leasing arrangements on capital equipment, and of the tools needed to present their enterprises to potential financing sources other than banks, mainly suppliers and investors.

CAE presented two financing proposals from its agribusiness clients to APDF in Abidjan.

An Investor Round Table is being prepared to better understand current investor practices in the Malian economy.

#### **Activity 6.4 : Feasible alternative finance implemented**

CAE is preparing a proposal to add a Financing Component to its contract, which will be finalized in Quarter 1 of Year 2.

## **Objective 9 : Private Sector role in policy clarified/discussed**

### **Activity 9.1: Topical analyses developed**

Preparation of an integrated strategy for agricultural product quality improvement involving several Malian official institutions, including the LCV, international organizations and agribusiness associations.

## **Objective 10 : Regional product quality standards harmonized**

### **Activity 10.1: Regulatory barriers identified, reforms recommended**

### **Activity 10.2 : Non tariff barriers identified, reforms recommended**

Progress on these topics has been principally determined by institutional factors governing progress of the UEMOA discussions, which are taking place region-wide. Activities so far include :

- Formulation of a regional trade program through collection of information on activities or initiatives underway at the sub-regional level by different institutions.
- Identification and prioritization of major issues and constraints based on CAE's mandate, technical program objectives and comparative resource advantages.
- Agreement with Ministère de l'Intégration Africaine on a joint program of information, study and training on UEMOA and its implications for agribusiness.
- Agreement with UEMOA, CILSS and the Ministère du Développement Rural et de l'Eau (MDRE) on the common agricultural and food policy for member states.
- Study tour of border livestock markets in Burkina Faso and Côte d'Ivoire.